

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE DISTRICT OF DELAWARE

UNITED STATES DEPARTMENT :
OF HEALTH AND HUMAN SERVICES, : CIVIL ACTION
Plaintiff, :

v. :

SOUTHERN DELAWARE CENTER FOR :
CHILDREN AND FAMILIES, INC., :
FRANCIS A. OGUNDARE, CAROLYN :
WILLIAMS, REVEREND LEON :
WILLIAMS, WILLIAM B. DUFFY, :
WALLACE F. HANDY, KATHERINE H. :
LEWIS, DEBORAH WASHINGTON, and :
ROSAMAE I. SMITH, :
Defendants. : NO. 05-809 (KAJ)

Wilmington, Delaware
Wednesday, December 21, 2005 at 2:00 p.m.
TELEPHONE CONFERENCE

BEFORE: HONORABLE KENT A. JORDAN, U.S.D.C.J.

APPEARANCES:

RUDY CONTRERAS, ESQ., and
SETH MADISON BEAUSANG, ESQ.
Assistant United States Attorneys

Counsel for Government

Brian P. Gaffigan
Official Court Reporter

- oOo -

P R O C E E D I N G S

(REPORTER'S NOTE: The following telephone conference was held in chambers, beginning at 2:00 p.m.)

THE COURT: Hello, Mr. Beausang.

MR. BEAUSANG: Your Honor, this is Seth Beausang and also here is Rudy Contreras.

THE COURT: Hi. I understand we do not have any of the defendants on despite our efforts to put folks on the phone this morning without luck and then again this afternoon, so I'm holding this ex parte and the transcript of this will be available for the defendants after this point.

I've got your letter, Mr. Beausang, of yesterday's date which now is docket item 32 in the case. And I wanted to get people on the phone for two purposes: One, to set this in-person hearing and, two, to advise the defendants of how seriously I'm taking what appears to be noncompliance and a lack of cooperation. And I'm going to go ahead and ask you, in preparation for the hearing I'm going to set, Mr. Beausang, to prepare a show cause order and a suggestion about appropriate next steps which you file and serve on the other side sufficiently in advance of the hearing that they have an understanding of what they're stepping into when they come to court and can be prepared to

1 deal with both the allegations and your requested relief
2 before they show up here.

3 Are you understanding what I'm trying to ask
4 for?

5 MR. BEAUSANG: Yes. Prepare a show cause order
6 and also suggestions about next steps and serve that on the
7 defendants, and give them with enough time so they get that
8 before Friday's hearing.

9 THE COURT: Now, when you say Friday's hearing,
10 I haven't set a date yet, but that's the next thing I was
11 going to ask. What is a timing that you folks can live with
12 and get things done in the course of? How soon can you get
13 things done of the sort I have described?

14 MR. BEAUSANG: Well, I mean I think we -- well,
15 actually, Your Honor, to be quite honest with you, because
16 faxing things to the defendants has not been that easy, I'll
17 do my best to prepare everything tor FedEx it to them
18 overnight so they get it on Thursday. But I guess what I'm
19 trying to say is maybe Tuesday would be better.

20 THE COURT: Yes, I don't think we're going to
21 get something meaningful done this week so I think we're
22 really looking at something next week.

23 MR. BEAUSANG: Yes. Any time next week for me
24 I think is fine. I did -- Cheryl had mentioned it was
25 possibly going to be a conference on Friday so I had talked

1 to people at ACF to try to get them ready to come here on
2 Friday and they were preparing to do that, but I have not
3 talked to them about when they would be available next week,
4 but I'll do it. I'll make every effort to make them
5 available when your Honor is handling this next week.

6 THE COURT: Right. We were casting about for
7 some dates for an in-person conference. I don't think it's
8 going to be meaningful to try to get something done this
9 week. I don't see that it will be productive first to meet
10 and then to deal with a show cause.

11 MR. BEAUSANG: Okay.

12 THE COURT: I'm at a point where I'm prepared to
13 have them answer a show cause order and I want to know from
14 the United States the position you take as to what would be
15 the consequence if such a show cause order were granted.

16 MR. BEAUSANG: I can certainly have papers
17 prepared, delivered to them on Friday by FedEx. And then
18 next week, I'm available whenever Your Honor is.

19 THE COURT: All right. Well, let me put you on
20 mute here for a moment and look at the calendar. We'll set
21 a time, we'll get a written order off. In addition to our
22 mailing it off to the defendants, I'll ask that you see that
23 the order is included in any FedEx package that you send
24 down to folks; all right?

25 MR. BEAUSANG: Yes, Your Honor.

1 THE COURT: All right. Hold on just a moment.

2 (Pause.)

3 THE COURT: Mr. Beausang.

4 MR. BEAUSANG: Yes, Your Honor.

5 THE COURT: We'll do this at 10:00 a.m. on
6 Thursday the 29th. That's a week from tomorrow. So your
7 information should be sent down so that folks on the defense
8 side have it by -- preferably, so they have it in hand by
9 Tuesday at the latest. That would give you tomorrow and
10 Friday to get something done and off for delivery. Do you
11 believe you can manage that schedule?

12 MR. BEAUSANG: Absolutely, Your Honor. I guess
13 the only question I have, I've just been dealing with
14 Mr. Ogundare who is the board president and Ms. Williams as
15 the director. Would your Honor like me to serve the other
16 defendants? My understanding was that the other board
17 members really didn't know what was going on day-to-day with
18 this operation and, to my knowledge, nobody from the
19 Government has been dealing with the other board members,
20 but I'll be happy to send it to the other board members if
21 Your Honor thinks it's appropriate.

22 THE COURT: In one sense, that is up to you
23 folks. If you are going to be seeking relief from them,
24 then put them in the loop. Mr. Ogundare and Ms. Williams
25 are not in a position to represent those other individuals

1 and I certainly don't want to be in a position down the
2 road where you are asking for relief against individual
3 defendants to whom notice of hearings and requests for
4 preliminary relief and other matters were not provided so
5 that they could have their own say. If you provide it to
6 them and they choose not to participate, that's on them, but
7 I would like to be able to have the assurance that if you
8 are seeking relief from them, and at this point I take it
9 you are because you have named them as defendants that
10 they're in the loop.

11 MR. BEAUSANG: Understood, Your Honor.

12 THE COURT: All right. Well, then that will
13 conclude this. We'll try to get a copy of this transcript
14 over to you so you can also include that in the FedEx
15 packages; all right?

16 MR. BEAUSANG: Thank you, Your Honor.

17 THE COURT: Thanks very much. Good-bye.

18 (Telephone conference ends at 2:10 p.m.)
19
20
21
22
23
24
25